AUGUST 1990

OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

July	1990	5.8
June	1990	5.3
July	1989	5.7

United States (Seas. Adj.)

July	1990	5.5
June	1990	5.2
July	1989	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

July	1990	133.1
June	1990	132.7
May	1990	133.5
Apr.	1990	133.2
Mar.	1990	132.9

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

June	1990	$11.03
May	1990	$11.12
June	1989	$10.78

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

June	1990	39.1
May	1990	39.8
June	1989	39.6

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1990	124.9
Yearly change	4.7%
Annual Average 1989	120.4
Yearly change	5.0%
United States	
July 1990	130.4
Yearly change	4.8%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

"Situation Hopeless, But Not Serious," or Siskel & Ebert Meet the Month in Review

Duane Ackerson

A hot month, and probably a good occasion to visit a cool movie theatre, whereas normally we might rent a video.

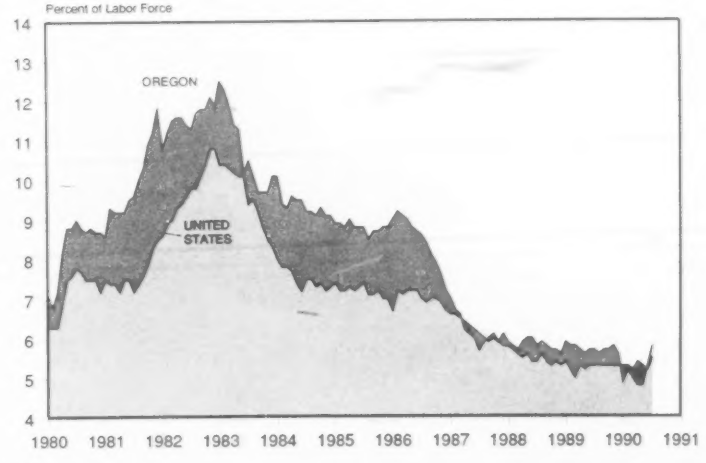
Robert Redford, in this particular film incarnation, is a U.S. airman who's landed behind the lines in WWII Germany and, with another comrade, is hiding in the basement of Alec Guinness's home. Guinness, over-anxious for company, persuades the two to stay there in hiding for years, telling them the war still hasn't ended long after it actually has.

(Fade to the present; or, at least, the recent past:)

At times recently, one might almost feel that the reverse of this movie scenario has occurred: the war has already started unannounced, we're behind enemy lines (read "gas lines"?), and our only salvation may be to accept the fact that the war has already started, with no end close in sight, and hope that the casualties (bad enough, admittedly) will only be economic.

However, before the Iraqi invasion of Kuwait and the prospect of military confrontations in the Mideast plunge us into total depression (little "d"; or, for that matter, maybe it should be big "D"), it might be time to consider the adage that almost any misfortune has some fortunate aspects, too. (The Great Savings and Loan Disaster, by the way, can probably be exempted from that maxim.) This truism may already be all-too-apparent from the fact that oil companies and retailers were already collecting increased amounts of green from the pockets of consumers before the oil shortages even arrived. Still, aside from the benefits accruing to a very few, there may be a few more widespread advantages to the latest large disadvantage known as the (supply your own capitalization if so desired) "oil crisis."

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



Civilian Labor Force Only

OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	JUL.1/ 1990	JUN.2/ 1990	JUL. 1989	CHANGE FROM JUN. 1990	CHANGE FROM JUL. 1989
TOTAL 5/	1,245,600	1,261,500	1,209,100	- 15,800	36,600
WAGE & SALARY EMPLOYMENT INDEX 6/	133.1	132.7	129.2	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	279,900	273,100	275,200	6,900	4,800
SERVICE PRODUCING INDUSTRIES 8/	965,700	988,400	933,900	- 22,700	31,800
TOTAL MANUFACTURING	226,400	221,400	225,400	5,100	1,100
DURABLE GOODS	161,000	160,200	163,800	900	- 2,700
LUMBER & WOOD PRODUCTS	65,900	65,900	70,400	100	- 4,400
LOGGING	11,500	11,600	13,100	0	- 1,500
SAWMILLS	21,500	21,600	23,900	- 100	- 2,400
VENEER & PLYWOOD	15,000	15,000	16,400	0	- 1,400
MILLWORK & STRUCTURAL WOOD	11,400	11,300	10,700	100	700
MOBILE HOMES	2,100	2,000	1,900	100	200
OTHER WOOD PRODUCTS	4,400	4,400	4,400	0	0
FURNITURE AND FIXTURES	3,000	3,000	3,000	0	0
STONE, CLAY, GLASS & CONCRETE	4,400	4,400	4,400	0	0
PRIMARY METALS	11,800	11,500	11,200	300	600
BLAST FURNACES, IRON & STEEL 9/	6,100	5,900	5,700	200	400
NONFERROUS METALS 9/	5,700	5,600	5,500	100	200
FABRICATED METALS	12,100	11,900	12,400	200	- 300
FABRICATED STRUCTURAL METALS	5,200	5,200	5,200	0	0
OTHER FABRICATED METALS	6,900	6,700	7,200	200	- 300
MACHINERY	18,000	18,000	17,900	0	100
OFFICE & COMPUTING MACHINES	4,900	4,900	4,600	0	300
OTHER MACHINERY	13,100	13,100	13,300	0	- 200
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,300	17,000	15,700	300	1,600
TRANSPORTATION EQUIPMENT	13,100	13,000	12,200	100	900
INSTRUMENTS & RELATED PRODUCTS 9/	11,400	11,600	12,700	- 200	- 1,300
MISCELLANEOUS MANUFACTURING	4,000	3,900	3,900	100	100
NONDURABLE GOODS	65,400	61,200	61,600	4,200	3,800
FOOD & KINDRED PRODUCTS	29,500	25,400	26,100	4,100	3,400
CANNING & PRESERVING	18,300	14,300	15,100	4,000	3,200
OTHER FOOD PRODUCTS	11,200	11,100	11,000	100	200
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	- 100
APPAREL	2,500	2,600	2,600	- 100	- 100
PAPER & ALLIED PRODUCTS	9,400	9,300	9,400	100	0
PRINTING & PUBLISHING	14,100	14,000	13,500	100	600
CHEMICALS & ALLIED PRODUCTS	2,400	2,300	2,300	100	100
PETROLEUM & ASPHALT PRODUCTS	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,900	4,900	5,000	0	- 100
LEATHER PRODUCTS	400	500	400	- 100	0
TOTAL NONMANUFACTURING	1,019,200	1,040,100	983,700	- 20,900	35,500
MINING & QUARRYING	1,500	1,400	1,600	100	- 100
CONSTRUCTION	52,000	50,300	48,200	1,700	3,800
BUILDING CONSTRUCTION	12,700	12,800	11,700	- 100	1,000
HEAVY CONSTRUCTION	6,700	6,500	7,300	200	- 600
SPECIAL TRADE CONTRACTORS	32,600	31,000	29,200	1,600	3,400
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	63,800	64,600	62,900	- 800	900
TRANSPORTATION	42,500	42,800	41,400	- 300	1,100
RAILROAD	3,800	3,800	3,900	0	- 100
TRUCKING & WAREHOUSING	24,700	24,800	24,300	- 100	400
OTHER TRANSPORTATION	14,000	14,200	13,200	- 200	800
COMMUNICATIONS	12,100	12,400	12,600	- 300	- 500
UTILITIES	9,200	9,400	8,900	- 200	300
TRADE	326,400	323,000	313,300	3,400	13,100
WHOLESALE TRADE	82,200	81,400	78,900	800	3,300
DURABLE GOODS	48,500	48,400	46,500	100	2,000
MACHINERY, EQUIPMENT, & SUPPLIES	11,400	11,400	11,000	0	400
OTHER DURABLE GOODS	37,100	37,000	35,500	100	1,600
NONDURABLE GOODS	33,700	33,000	32,400	700	1,300
GROCERIES & RELATED PRODUCTS	12,300	11,900	11,900	400	400
OTHER NONDURABLE GOODS	21,400	21,100	20,500	300	900
RETAIL TRADE	244,200	241,600	234,400	2,600	9,800
BUILDING MATERIALS & GARDEN SUPPLIES	9,300	9,400	8,600	- 100	700
GENERAL MERCHANDISE	30,600	29,900	28,800	700	1,800
FOOD STORES	43,200	42,000	40,500	1,200	2,700
AUTO DEALERS & SERVICE STATIONS	29,600	29,300	29,600	300	0
APPAREL & ACCESSORY STORES	10,700	10,200	10,000	500	700
FURNITURE & HOME FURNISHINGS	9,900	9,900	8,900	0	1,000
EATING & DRINKING PLACES	88,100	87,900	85,100	200	3,000
MISCELLANEOUS RETAIL	22,800	23,000	22,900	- 200	- 100
FINANCE, INSURANCE, & REAL ESTATE	78,000	77,300	76,800	700	1,200
FINANCE	28,200	28,000	28,100	200	100
INSURANCE	22,300	22,300	22,400	0	- 100
REAL ESTATE	27,500	27,000	26,300	500	1,200
SERVICES	292,100	291,000	282,800	1,100	9,300
HOTELS & OTHER LODGING PLACES	21,400	20,600	20,100	800	1,300
PERSONAL SERVICES	10,900	10,900	10,900	0	0
BUSINESS SERVICES	47,600	48,300	47,400	- 700	200
AUTOMOTIVE & MISC. REPAIR SERVICES	15,500	15,300	15,700	200	- 200
MOTION PICTURES & AMUSEMENTS	14,600	14,400	14,500	200	100
HEALTH SERVICES	87,500	86,800	82,800	700	4,700
LEGAL SERVICES	9,100	9,000	8,800	100	300
PRIVATE EDUCATION	11,600	12,300	11,700	- 700	- 100
SOCIAL SERVICES	24,800	25,200	24,000	- 400	800
ENGINEERING & MANAGEMENT SERVICES	20,500	20,100	18,800	400	1,700
OTHER SERVICES & NEC	28,600	28,100	28,100	500	500
GOVERNMENT	295,400	232,500	198,100	- 27,100	7,300
FEDERAL GOVERNMENT	35,700	37,000	33,500	- 1,300	2,200
STATE GOVERNMENT	57,700	62,700	56,400	- 5,000	1,300
EDUCATION	20,800	26,200	20,500	- 5,400	300
OTHER STATE	36,900	36,500	35,900	400	1,000
LOCAL GOVERNMENT	112,000	132,800	108,200	- 20,800	3,800
EDUCATION	62,000	82,700	59,300	- 20,700	2,700
OTHER LOCAL	50,000	50,100	48,900	- 100	1,100
LABOR-MANAGEMENT DISPUTES 10/	500	400	300	100	200

OREGON RESIDENT LABOR FORCE
(BY PLACE OF RESIDENCE)

	JUL.1/ 1990	JUN.2/ 1990	JUL. 1989	CHANGE FROM JUN. 1990	CHANGE FROM JUL. 1989
CIVILIAN LABOR FORCE 3/	1,511,100	1,510,900	1,511,200	200	- 100
UNEMPLOYMENT	86,400	79,000	84,600	7,400	1,800
PERCENT OF LABOR FORCE	5.7	5.2	5.6	XXX	XXX
SEASONALLY ADJUSTED PERCENT	5.8	5.3	5.7	XXX	XXX
TOTAL EMPLOYMENT 4/	1,424,700	1,431,900	1,426,600	- 7,200	- 1,900

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972=100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

(Director's note to film editor: at this point, splice in some standard forest footage, preferably old growth. Though basically irrelevant to the present storyline, the audience's imagination will supply a subtext: perhaps one of the airmen is dreaming in his present confinement of open spaces.)

With groundbreaking legislation like the bottle bill, Oregon has in the past taken the lead in many issues involving the environment. The oil crisis may prove an opportune time to capitalize on Oregon's concern with the environment and the lead it has over many states in such things as recycling. It may also mean that we have a head start in this state toward operating with a bit more efficiency in times of oil shortage. For instance, the economic viability of recycling industries may also improve under these circumstances. A current objection to recycling plastics is that this process is presently more expensive than producing new plastic. However, with the strong likelihood of future petroleum shortages and higher prices, recycling of plastics may become not only more practical and profitable, but possibly even essential. This may be the optimum time to demonstrate that companies can derive profits from conservation while being environmentally responsible.

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(Director's note to cameramen: move in for a closeup. Maybe Redford is slightly delirious from cabin fever, and is hallucinating his own movie within a movie about cars of the future.)

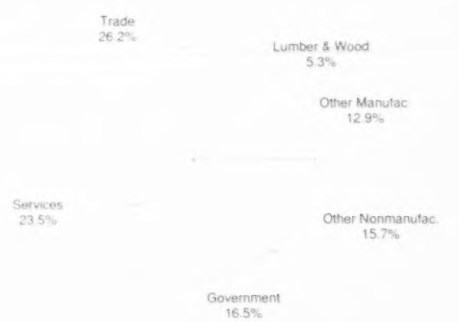
Another possible, more short-term benefit of the oil crisis for Oregon: though demand for cars, especially gas guzzlers, could decline, hurting the auto industry, Oregon might benefit from increased imports through/into this state of more fuel-efficient foreign cars, especially from Pacific Rim countries.

(Note from director to the second unit director: at this point, insert stock footage: cans moving along factory production lines, trees being felled, houses being framed.)

On a front closer to home than the Mideast, total wage and salary employment in Oregon for July 1990, at 1,245,600, was 36,500 higher than a year ago, and down 15,900 from the preceding month. However, after seasonal adjustment, July's less than nor-

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)

Oregon Employment by Industry
Wage & Salary Jobs, July 1990



mal decline translated into a 3,300 increase from June. As usual, nonmanufacturing accounted for the majority (1,900) of this gain. However, manufacturing this time of year, thanks in particular to the canning and preserving sector, is generally an important player with the harvest underway. As a consequence, cannery jobs in food and kindred products accounted for a goodly portion of the seasonally adjusted increase of 1,400 in manufacturing.

. . .construction currently seems to be losing the momentum generated in the preceding two years.

July usually brings a seasonal gain of 700 jobs in lumber and wood products. This year, no such increase occurred due to slumping demand and prices for lumber and plywood coupled with higher log costs. The 1,700 jobs added to construction was also less than normal for July, resulting in a seasonally adjusted decline of 400. Construction expanded rapidly in 1988 and 1989. At present, this industry has attained an employment level of 52,000; once more, as in June (when it was at 50,300), reaching its highest point since 1979 and topping its performance in the previous month by 1,700. However, despite the fact that the number of jobs in this industry is 3,800 more than a year ago, construction currently seems to be losing the momentum generated in the preceding two years.

Food and kindred products fared better than these two preceding areas. Over the past month, this industry added 4,100 to its payrolls, and even though an increase, in this case, 2,200, was expected, the seasonally adjusted gain was still an impressive 1,900. At 29,500, the industry also reached its highest July ever.

(Note from film distributor to theatre projectionists: time to change the reel.)

Some other areas of the Oregon economy also showed strength. Trade and services both racked up strong performances. Harvest time brought wholesale fresh fruits, which accounted for half the job increase in the wholesale sector. Wholesale lumber and construction accounted for another quarter of the change. The actual, or raw, change in wholesale trade was 800; this amounts to an increase of 300 when seasonally adjusted. Retail trade made gains in nearly all its industries, resulting in an increase, seasonally adjusted, of 1,600.

In the services area, with an actual change of 1,100 and a seasonally adjusted 1,700, gains took place in those types of employment particularly tied in with summer. For example, hotels were up 800, and amusement and recreation services (particularly, motion pictures and amusements, up 200) showed considerable growth. In the government sector, the U.S. Census Bureau has completed the majority of its data gathering, and is reducing the number of temporary employees hired for the decennial census. Approximately 1,400 of these workers were employed in July, according to the San Francisco Regional Office for the Bureau of Labor Statistics, compared with a high of almost 4,800 in May. Government employment as a whole is down 1,100 when viewed from a seasonally adjusted perspective.

(Scriptwriter to director: this might be a good time to pan along on a medium shot of a crowd of workers waiting in a line. If nothing more can be shot without going over budget, use old 1930s newsreel footage. Please do not resort to dubbing in something like "Brother, Can You Spare A Dime?" even if that song is now in the public domain and will save the producer some royalty payments.)

In the area of unemployment, the number of jobseekers went from 79,000 to 86,400 between June and July, causing the seasonally adjusted unemployment rate to rise half a point to 5.8%, or three-tenths of a percent above the national rate. The Oregon rate has risen a whole percentage point since May, reflecting an economic slowdown that may portend a recession close at hand, a recession the recent troubles in the Persian Gulf have brought closer to our doors.

These upward jumps in the unemployment rate in the last two months might still be aberrations. However, a cause for concern in last month's lead article was the fact that not only the unemployment rate, but a second key labor market indicator, the nonfarm wage and salary employment index, also took a turn for the worse, falling in June by eight-tenths of a percentage point to 132.7. This was the first decline in that index in Oregon in two and a half years. However, where that indicator is concerned, there is now at least occasion for mild optimism, as the index for July rose four-tenths of a point to 133.1.

However, guarded relief at best is called for since the national employment index also appears to be troubled. For two months this year, March and April, the U.S. index leveled off at 133.9, and preliminary figures show a decline of 0.3 between June and July, the first decrease since June 1986, when the index fell two-tenths of a point. Probably both state and national employment indices should be reviewed carefully in the light of future readings and revisions.

(Dissolve to the outside of the theatre somewhat later. Our cue for the offscreen narrator to say:)

And, speaking of reviews, the audience is now filing out of the movie theatre. Some feel it was a good movie, others, not so good. Some younger members of the audience feel the Robert Redford role should have been played by Tom Cruise; still others, having heard that Alec Guinness was in the film, had expected a sequel to the *Star Wars* trilogy or something, at least, with an occasional hologram, not an old, and rather obscure black and white film from the 1960s. The prospective audience for the next showing, waiting to get in, wonders what it's in for, and those who are inclined to read the end of mystery novels first make inquiries of the departing people. To these, some exiting viewers declare they would give what's just taken place an "8"; others, perhaps, a "3." Another, waxing philosophical, says that what seemed impressive on the large screen may not seem nearly as important in a year or so when it's reduced to video. And, as pollsters have found in the past, some people seem to have been running very different versions of the story in their heads. One person says it was all about how Winnie the Consumer, having in the past had too much to consume, now finds him/herself stuck down the rabbithole; another declares it was a story about how a national leader, played by Sylvester Stallone, took a firm line in a time of crisis, saved the country from impending oil blackmail, and married Dolly Parton.

So, the crowd mills about, trying to arrive at some sort of consensus, until at last, relief appears at hand. A closeup of two larger than life faces, one chubby, the other leaner, appear overhead in the summer sky that is just now becoming dark enough to provide a proper backdrop for them. "Gene, you goober, I already know what you're going to say, but I give it a thumbs down." "Roger, you raisinet, I think you misunderstood what the whole thing was about. It's a definite thumbs up." The faces fade from above, providing a momentary after-image of two enlarged thumbs, and leaving those of us below with a craving for darkness and the comfort of chocolate-covered hands.

Now that the reviewers have had their say, it's definitely a wrap. Time to strike the set. □

RECENT TRENDS IN OREGON'S EMPLOYMENT AND RESIDENTIAL BUILDING

Michael F. Murphy

(Editor's note: Mr. Murphy is an economist with the Oregon Housing Agency.)

In contrast to the rest of the nation, Oregon's residential construction rose considerably from 1987 to 1989. Units authorized by building permits went from 12,700 in 1987 to 14,000 in 1988, a 10% increase. In 1989, units permitted increased a dramatic 62%, with the number of units that year over 22,700. In the multi-family sector, units authorized by permits went from below 4,800 in 1988 to almost 11,000 in 1989.

Nationwide, housing starts dropped 9% between 1987 and 1988 (1.63 to 1.49 million units). In 1989, the housing slump continued as starts fell another 7% to 1.38 million. In nearly every state there was a drop in multi-family construction from 1988 to 1989.

. . .Oregon has experienced dramatic increases in rents since 1987.

Why the increases in building activity in Oregon during those years? Two main reasons arise. Oregon's economy and population in the past several years has been growing more rapidly than the nation's, fueling housing demands. In addition, there was relatively little residential construction in Oregon during much of the '80s causing low vacancy rates. The U.S. Department of Housing and Urban Development (HUD) estimates that in 1988 nationwide rental vacancy rates were 7.5%; in Oregon the estimate was 3.5%. Low vacancy rates, indicative of a tight housing market, encourages development. In addition, Oregon has experienced dramatic increases in rents since 1987. HUD estimates that, statewide, rents increased 16% from 1987 to 1988 and another 7% in 1989. The large increases in rents pushed potential profits in multi-family housing high enough to spark development.

During the same time period construction employment boomed. While overall nonagricultural wage and salary

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	June[2] 1990	May[3] 1990	June 1989	June[2] 1990	May[3] 1990	June 1989	June[2] 1990	May[3] 1990	June 1989
TOTAL MANUFACTURING[4]	$431.27	$442.58	$426.89	39.1	39.8	39.6	$11.03	$11.12	$10.78
Durable Goods	441.46	447.52	436.40	39.7	40.1	40.0	11.12	11.16	10.91
Lumber & Wood Products	444.11	447.43	438.50	40.3	40.2	39.9	11.02	11.13	10.99
Logging & Sawmills	475.59	474.42	478.31	40.1	39.7	40.5	11.86	11.95	11.81
Veneer & Plywood	423.32	438.87	413.90	39.6	40.3	38.9	10.69	10.89	10.64
Millwork & Structural	400.79	398.47	359.99	42.1	41.9	39.3	9.52	9.51	9.16
Mobile Homes	369.03	359.84	352.52	39.3	38.2	39.3	9.39	9.42	8.97
Other Wood Products	423.60	441.46	430.56	40.0	40.8	41.4	10.59	10.82	10.40
Furniture & Fixtures	370.00	391.16	318.36	37.0	38.5	35.1	10.00	10.16	9.07
Primary Metals	472.00	508.40	498.17	37.7	41.0	40.8	12.52	12.40	12.21
Fabricated Metals	412.26	412.88	406.18	39.3	39.7	39.9	10.49	10.40	10.18
Machinery (Ex Electrical)	449.65	441.90	454.16	40.4	40.1	41.4	11.13	11.02	10.97
Nondurable Goods	406.73	424.93	398.98	37.8	38.7	38.4	10.76	10.98	10.39
Food & Kindred Products	322.54	352.13	332.61	35.6	37.5	38.1	9.06	9.39	8.73
Canning & Preserving	264.88	299.37	288.03	33.7	36.2	37.7	7.86	8.27	7.64
Other Food Products	424.71	422.18	408.45	39.0	39.2	38.9	10.89	10.77	10.50
Textile Mill Products	271.70	268.46	232.69	38.0	37.6	33.1	7.15	7.14	7.03
Apparel	270.48	270.82	256.32	39.2	38.8	38.2	6.90	6.98	6.71
Paper & Allied Products	627.89	637.30	616.49	41.2	40.8	40.8	15.24	15.62	15.11
Printing & Publishing	474.83	475.49	425.96	37.3	38.1	36.5	12.73	12.48	11.67
Construction[4]	580.50	573.75	563.95	37.5	37.5	37.9	15.48	15.30	14.88
Communications & Utilities[5]	577.46	562.78	552.45	41.1	40.9	41.6	14.05	13.76	13.28
Trade[5]	331.47	322.47	320.16	35.3	34.6	34.6	9.39	9.32	9.20
Wholesale Trade	433.58	431.64	429.02	38.1	38.3	38.0	11.38	11.27	11.29
Retail Trade	278.51	267.65	264.60	33.8	32.8	33.2	8.24	8.16	7.97
Banking & Insurance[5]	361.66	353.81	337.98	37.4	36.4	37.1	9.67	9.72	9.11
State & Local Government	401.82	399.40	381.64						

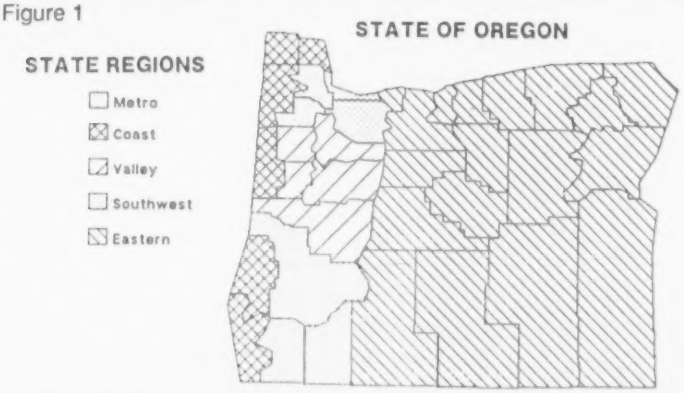
[1]Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
[2]Preliminary
[3]Revised
[4]Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
[5]Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

employment increased 5.1% from 1987 to 1988, construction employment rose 13%. In 1989, the gap widened even further as overall employment growth slowed to 4.4% while construction jumped 13.4%. The rest of this article will discuss the relationship between the housing boom and construction employment focusing, in particular, on different parts of the state.

The two construction sectors used are general construction and special trades construction. The Standard Industrial Classification (SIC) codes are SIC 15 and 17. SIC 15 includes general contractors and operative builders. These are employers who are primarily engaged in the construction of residential, farm, industrial, commercial, and other buildings. SIC 17 is special trade contractors construction. These special trade contractors are generally the "subs" who do work for the general contractors found in SIC 15. Not all employment in SIC 15 and 17 is residential. Since it is not possible to break out that part of construction employment which is strictly residential, the total figures for these two construction sectors are used.

It is useful to see how Oregon's construction boom has affected various parts of the state. Figure 1 shows Oregon's counties divided into five areas. Metro is the metropolitan Portland counties which make up the Portland PMSA. They consist of Clackamas, Multnomah, Washington, and Yamhill counties. The Valley consists of those counties within the Willamette Valley to the south of the Metro counties. The Coast includes those counties which are on the coast plus Columbia County which has many of the characteristics of the coastal counties. Southwest consists of Jackson, Josephine, and Douglas counties; and Eastern consists of all those counties which are on the east side of the Cascade Mountains.

Figure 1



Figures 2 and 3 show the geographical distribution of building activity for both single-family and multi-family units during the 1987-89 period. Although there were dramatic increases in building, particularly between 1988 and 1989, the proportion of single-family and multi-family units remained relatively constant. For both single-family and multi-family sectors, a substantial proportion of the development occurred in the Portland Metro area. The share of activity occurring in the Metro area did not change significantly over this three-year period for either single-family or multi-family activity. During the boom several areas did not share as completely in this activity. In particular, the Eastern and Southwest areas saw a relative reduction in multi-family development

As development increased during this period, construction costs also went up. Inputs to production became tighter and their prices increased. Figures 4 and 5 show construction costs by geographic area. Particularly striking are the high per unit construction costs for eastern Oregon, normally thought of as a less expensive place to live. The large proportion of second home development and time-share housing plus the distance from labor markets keeps construction costs high east of the Cascade Mountains. It is also interesting to note that construction costs per unit dropped for multi-family development where there was a considerable amount of multi-family activity, such as in the Portland Metro area in 1989, suggesting economies of scale in this industry.

To see how this relates to construction employment in the five geographical areas construction costs per unit were paired with average pay per employee. Not surprisingly, payroll per employee increased as labor demands went up. Between 1987 and 1988, payroll per employee in SIC 15 rose from $19,416 to $20,652, a 6.3% increase. In 1989, average pay jumped to $23,100, an 11% increase. For SIC 17, average pay increased from $20,652 in 1987 to $22,037 in 1988, a 6% jump.

Figure 2

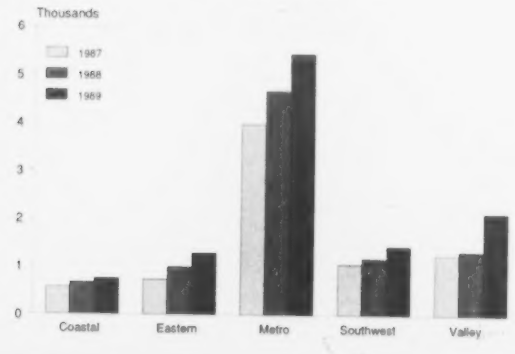
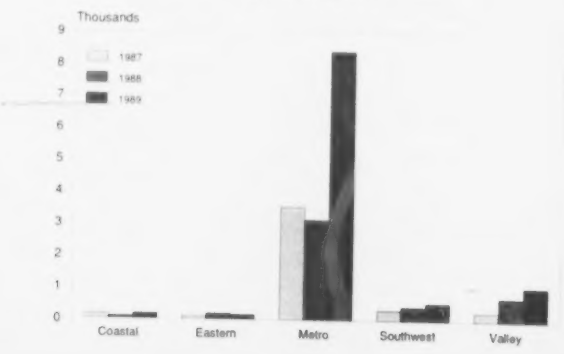


Figure 3



In 1989, workers in the special trades averaged $23,012, a 4% rise. The rates of growth in average pay were not nearly as great as the percentage increases in employment, which averaged well above 10%. Table 1 shows the average employment and pay by area and year for the two construction sectors.

This year has continued to see strong building activity, particularly in single-family construction. Table 2 compares the units authorized by permits for the first six months of 1989 with the first half of 1990. In the single-family sector, construction is up in all five areas. In 1989, there was an extraordinary amount of multi-family construction activity in the Portland Metro area. There are signs that rental vacancy rates are rising in Portland. In response, developers are now moving down the Willamette Valley and to Southwest Oregon, particularly Jackson County.

Statewide employment data for the first half of 1990 indicate that both general construction and special trades construction continue to run well ahead of last year's levels. The growth rate, however, has slowed sharply in general construction (10% higher in first half 1990 versus 26% higher in first half 1989). Employment in special trades construction from January through June continues to run about 14% above the same period a year ago.

Prospects are good for single-family building activity to finish 1990 stronger than last year. Multi-family construction is expected to finish below last year's level, however, because of the slowdown in the Portland area. Employment in multi-family construction will also be more concentrated in the Valley and Southwest parts of the state. □

Table 1

ANNUAL AVERAGE EMPLOYMENT AND PAY IN GENERAL AND SPECIAL TRADES CONSTRUCTION

General Construction (SIC 15)

	Coastal	Eastern	Metro	Southwest	Valley	Oregon
1987						
Empl.	604	721	4,571	682	1,823	8,401
Pay	$14,517	$15,209	$21,503	$16,814	$18,445	$19,416
1988						
Empl.	658	859	5,304	767	1,948	9,536
Pay	$14,516	$16,136	$23,251	$17,694	$18,805	$20,652
1989						
Empl.	691	1,111	6,361	820	2,449	11,432
Pay	$16,055	$17,957	$26,644	$18,574	$19,731	$23,100

Special Trades Construction (SIC 17)

	Coastal	Eastern	Metro	Southwest	Valley	Oregon
1987						
Empl.	722	1,352	12,162	1,423	4,524	20,183
Pay	$17,512	$16,327	$22,245	$16,916	$19,337	$20,652
1988						
Empl.	872	1,671	14,495	1,610	5,160	23,808
Pay	$19,167	$18,300	$23,851	$18,087	$19,868	$22,037
1989						
Empl.	1,056	1,865	16,462	1,785	5,759	26,927
Pay	$19,731	$19,085	$24,884	$18,171	$21,036	$23,012

OREGON RESIDENTIAL BUILDING PERMIT ACTIVITY
First Half 1989 and First Half 1990

	Coastal	Eastern	Metro	Southwest	Valley	Oregon
			Single-Family Units:			
1989	413	640	2,749	697	1,098	5,597
1990	556	724	2,924	913	1,106	6,223
% Change	34.6%	13.1%	6.4%	31.0%	0.7%	11.2%
			Multi-Family Units:			
1989	89	91	5,160	186	356	5,882
1990	68	71	3,461	315	1,424	5,339
% Change	-23.6%	-22.0%	-32.9%	69.4%	300.0%	-9.2%

Figure 4

Single-Family Construction Cost Per Unit
By Year and Region

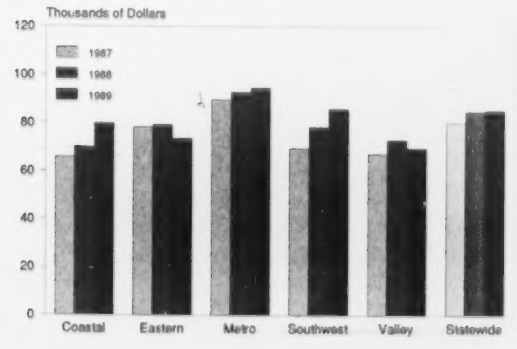
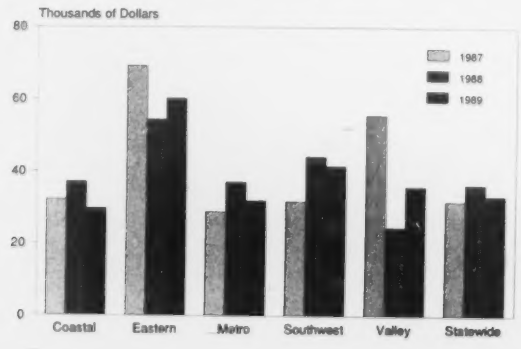


Figure 5

Multi-Family Construction Cost Per Unit
By Year and Region



EMPLOYERS' CORNER - MAKING A DIFFERENCE

Antoinette Cox

(Editor's note: Antoinette Cox is the Executive Assistant to the Chairman of Cutler and Company Inc., a Medford firm which manages investment portfolios for institutions such as public pension funds and larger pension accounts for private employers. She is also currently serving as the Vice Chair of the State Job Service Employer Committee.)

There is a topic about which I am very passionate. . .and that is the topic of education. Having been in human resource management for 15 years, and thinking back upon my own education, I've noticed definite patterns evolving. I remember my own frustrations as a youngster starving for education, but yet often deprived because the classroom teacher spent a great deal of the time teaching to the lowest level students or spending time disciplining kids who didn't care. As I became an adult and because of circumstances had to work full-time while working on my college degree, I experienced other frustrations about the system. In attempting to acquire college credit for past work experience, some professors would not give me the credit because "I didn't sit in the classroom along with the other students to learn the subject." It didn't matter that I had not only learned a subject, but utilized it. Another time I was a guest speaker in a high school talking with several classrooms about job preparedness. I made the point that there are so many ways to learn new things and gave several examples. Much to my surprise after the first class, the teacher approached me and told me I was not to tell her students that there were other ways to learn other than in a classroom. I was certainly surprised by the narrow-mindedness. Perhaps it's not a wonder that when I worked with young full-time college students on my own college projects some did not understand resourcefulness.

Most of us have had similar experiences at one time or another. However, there are those educators and others who we remember influenced us in a very positive way. I remember Miss Tanaka, my second grade teacher who taught me some tough lessons about character. I also remember my high school French teacher who inspired me to greater and greater heights of achievement. There was another time when I worked with a young woman who was a high school dropout--considered a troublemaker. Not recognizing her ten years later she came up to me and introduced herself and told me the greatest thing someone could hear--that I had made a difference in her life and had helped her believe in herself. She was now a paralegal.

How can we in the business community influence the education, skill levels, and motivation of our young people? There are several ways to get involved at the grassroots level. Volunteer your time in the classroom assisting teachers or give a talk to students about aspects of the business world. Sit on a curriculum development committee. . .offer suggestions about what is REALLY needed in the work place. Bring young people into your organization to work after school and spend time as a mentor. Coach a sports team. . .the lessons of life are just as important as the lessons in a classroom. Support parenting classes. If we are concerned about the lack of basic skills and work ethic as we enter the 21st century, it is up to each and everyone of us to make the difference. □

NEW PUBLICATION

Oregon Wage Information - 1990 is designed to assist jobseekers, employers, career planners, and industrial developers seeking to attract new industry to the state. Wage data is one of the most sought after forms of labor market information. Drawing upon a wide variety of wage data sources, **Oregon Wage Information** contains wage rates for over 350 common occupations. More than 70% of all Oregonians working for wages or salaries in the private and public sectors work in these occupations.

A special supplement is included to help gauge the impact of the minimum wage. First quarter 1990 wages offered are used in this supplement.

Additionally, for comparative purposes, current and historical industry wage data are provided.

To receive a copy of **Oregon Wage Information**, contact:

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Attn: Susan Bell
875 Union Street NE
Salem, OR 97311
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